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THE SECRETARY OF STATE
WASHINGTON

February 16, 1989

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MEMORANDUM FOR: THE PRESIDENT
FROM: James A. Baker, III *J.A.B.*
SUBJECT: Your China Visit February 25-27

I. SETTING

- o You return to China as President with our bilateral relationship fundamentally sound, reflecting our importance to China as a militarily strong, technologically advanced nation with whom China shares substantial common interests.
- o With US-PRC relations entering more mature, less dramatic phase, spotlight has shifted to Soviet success in achieving breakthrough toward normalizing Sino-Soviet relations. Gorbachev-Deng May summit could feed perception that strategic underpinning for US-China relationship is eroding, an impression both we and Chinese wish to counter.
- o PRC's arms export policies, unrest in Tibet, criticism in Congress, have ruffled bilateral relations. High level visits, frank dialogue, have helped contain problems. Beijing is unsettled about trends in Taiwan; the emphasis is shifting from criticism of US arms sales to need for greater US support in curbing separatist tendencies, fostering contacts. US-PRC economic cooperation strong. PRC looks to US for market access, advanced technology, investment, support in international economic forums such as GATT.
- o Domestically, Deng era drawing to close. Achieved remarkable success in restoring stability, accelerating development, expanding ties with outside world. But key tests in transition still to come. New pragmatic leaders in place but positions not yet consolidated. Ideology in tatters. Growth rate remains high, but pace of reform faltering, problems mounting.

II. OBJECTIVES

- o Lay foundation for continuing strong and growing China relationship as means of insuring that improving Sino-Soviet ties do not jeopardize fundamental US interests.
- o Reaffirm framework for US China policy, provide reassurance that US friendship for Taiwan will be pursued in consistent manner that promotes peaceful resolution of issue.

UNITED STATES DEPARTMENT OF STATE
REVIEW AUTHORITY: ROBERT H. MILLER
DATE/CASE ID: 22 DEC 1999 199802757

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- o Forge ties with China's new generation of leaders, while renewing old acquaintanceships.
- o Review key international issues: USSR, Cambodia, Korea, missile proliferation; lay basis for addressing future problems.

III. STRATEGY

- o Your early visit provides excellent opportunity to set agenda for developing relationship further, demonstrate US interest in sustained high-level dialogue.
- o Key purpose is to consolidate your personal ties with China's leaders, demonstrate strength of relationship, offset impression that Sino-Soviet rapprochement is at our expense. Chinese share these goals. Agreement on Peace Corps program, announcement of high level visits, would serve these purposes.
- o You will be welcomed both as President and old friend. China has moved deliberately with Soviet Union, forced Moscow to address its agenda, taken care to prevent Sino-Soviet normalization from jeopardizing its relationship with US which retains vital importance as counterbalance to USSR, key element for stability in East Asia, source of technology/investments.
- o Chinese will be looking for reassurance that our policy will remain firmly based on one China, the three communiques (Shanghai, normalization, August 17, 1982) and established groundrules in our handling of Taiwan issue. You may wish to address these concerns both in your private comments and public toast, conveying a strong signal of policy continuity.
- o Focus of bilateral discussions should be on concrete steps to enhance ties: e.g. active military exchanges and cooperation, measures to expand trade and investment, continued export control liberalization, reciprocal visits.
- o Review of global and regional issues should highlight areas where cooperation and/or mutual understanding essential, e.g. ties with Soviets, arms control, progress toward Cambodia settlement, lowering tensions in Korea.
- o At same time important to remind Chinese that our ability to expand relationship, sustain congressional and public support, depends on responsible handling of issues such as ballistic missile exports, nuclear proliferation, and human rights, especially Tibet.

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